

LEGISLATIVE AUDIT COMMISSION



Review of
Illinois Department of Natural Resources
Two Years Ended June 30, 2012

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REVIEW: 4408
ILLINOIS DEPARTMENT OF NATURAL RESOURCES
TWO YEARS ENDED JUNE 30, 2012

FINDINGS/RECOMMENDATIONS - 13

ACCEPTED - 5
IMPLEMENTED - 8

REPEATED RECOMMENDATIONS - 7
PRIOR AUDIT FINDINGS/RECOMMENDATIONS - 17

This review summarizes the auditors' reports on the Illinois Department of Natural Resources, filed with the Legislative Audit Commission April 4, 2013. The auditors performed a compliance examination in accordance with State law and *Government Auditing Standards* for the two years ended June 30, 2012. The auditors also conducted a financial audit of the Department's Capital Asset Account for the year ended June 30, 2012. The auditors stated that the Department's capital asset account was fairly presented.

The Department of Natural Resources was established on July 1, 1995 when the functions of the former Department of Conservation, Department of Mines and Minerals, the Abandoned Mined Lands Reclamation Council, portions of the Department of Energy and Natural Resources, and the Division of Water Resources from the Department of Transportation were merged by an Executive Order of the Governor.

The Department's mission is to manage, conserve, and protect Illinois' natural, recreational and cultural resources, further the public's understanding and appreciation of those resources, and promote the education, science and public safety of Illinois' natural resources for present and future generations.

The Department currently manages over 300 sites totaling nearly 474,000 acres of publicly owned and leased land including State parks. The Department manages a variety of other public sites such as museums, boat access areas, marinas and trails. DNR maintains concessions that are leased to or operated by private concessionaires or local communities.

The Director during the two-year audit period was Mr. Marc Miller. He remains in that position. Mr. Miller was not previously employed by the Department.

The chart on the following page presents the average number of employees in the fiscal year noted.

	FY12	FY11	FY10
Full-time:			
General Office	58	70	72
Architecture, Engineering & Grants	20	25	25
Realty and Environmental Planning	47	55	50
Business Services/Strategic Services	69	78	47
Public Services	-	-	13
Special Events	-	-	23
Sparta WSC	11	-	-
Resource Conservation	211	227	217
Law Enforcement	138	158	154
Land Management	326	417	390
Mines & Minerals	102	98	98
Water Resources	53	60	63
Museums	59	62	61
Conservation 2000	-	-	17
Total Full-time	1,094	1,250	1,226
Part-time and Seasonal	324	362	420
GRAND TOTAL	1,418	1,612	1,646

Expenditures From Appropriations

The General Assembly appropriated \$928,802,262 from 42 different funds to the Department of Natural Resources for FY12. Of the total, \$301.4 million was from the Capital Development Fund; \$163.3 million from the Build Illinois Bond Fund; \$89 from the Open Space Lands Acquisition and Development Fund; \$82.2 million from the Wildlife and Fish Fund; \$50 million from the General Revenue Fund; \$48.3 million from the Park and Conservation Fund; and \$194.6 million from the remaining 36 funds. Appendix A summarizes these appropriations and expenditures by fund for the period under review. Some of the significant changes in expenditures when comparing FY12 to FY11 were as follows:

- \$6.5 million decrease in GRF because the Department received nothing from the Governor's discretionary appropriation;
- \$3.4 million decrease in State Boating Act Fund due to fewer boat access and rehab projects;
- \$1.5 million decrease in Wildlife and Fish Fund due to fewer headcount and fewer grants;
- \$2 million increase in Capital Development Fund due to the first expenditures out of the Museum Capital appropriation;
- \$6.7 million decrease in Open Space Land Acquisition Fund due to reduced grant levels to local governments because of failing housing markets;
- \$1.4 million increase in Forestry Development Fund due to increased headcount because of improved cash balances in the Fund;
- \$2.4 million decrease in Migratory Waterfowl Stamp Fund due to fewer pump station repairs; and

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- \$2.5 million increase in Abandoned Mined Lands Recreational Federal Trust Fund due to higher headcount completing more projects.

Appendix B provides a summary of the Department's expenditures by line item for FY12-FY10. Expenditures were about \$210 million in FY12 compared to \$231.1 million in FY11, a decrease of \$21.1 million, or 9.1%, due to smaller appropriation for grants, awards and lump sum purposes.

Lapse period spending was about \$11.5 million, or 5.5% of FY12 expenditures.

Property and Equipment

Appendix C provides a summary of property and equipment for the year ended June 30, 2012. Property and equipment for the Department increased from \$1,194,566,000 as of June 30, 2010 to \$1,210,110,000 as of June 30, 2012. The Department has \$372 million in land and improvements; \$445.4 in site improvements; \$297.8 million in buildings and improvements; and \$94.7 million in equipment, capital leases-equipment and construction in progress.

Cash Receipts

Appendix D provides a summary of cash receipts for FY12-10, which totaled \$188,186,000 in FY12, an increase of \$7.1 million, or 3.9% from FY11. About 31.6% of cash receipts is from licenses and fees. The \$5.8 million decrease in Other Revenue was due to a Youth Conservation Workers grant received only in FY11.

Service Efforts and Accomplishments

About 40.6 million people visited Department owned or managed sites in FY12. In FY12, 89% of park visitors were highly satisfied with their visit. The Department issued 627,201 fishing licenses and 188,576 hunting licenses in FY12. Forty-four miles of bikes trails were newly acquired or developed, and 2,040 acres were reforested. More than 20,200 students were certified in safety education classes for hunters, boaters, trappers and snowmobilers. In FY12, the Department issued 1,043 mine safety certifications, 1,563 blasting and explosives licenses and certifications, and inspected 231 dams. State museum attendance was 374,122 and 171 teachers completed training in the Environment and Nature Training Institute for Conservation Education (ENTICE).

Accountants' Findings and Recommendations

Condensed below are the 13 findings and recommendations included in the report, of which seven were repeated from prior audits. The following recommendations are classified on the basis of updated information provided by the Department of Natural Resources, via electronic mail dated October 3, 2013.

Accepted or Implemented

1. Develop controls to ensure the accurate reporting of indirect cost on the SEFA.

Finding: The Department did not accurately report indirect cost in the Schedule of Expenditures of Federal Awards (SEFA).

During testing of the SEFA, auditors noted the Department did not properly report \$853,000 in indirect cost as part of the federal expenditures.

Department personnel stated due to a lack of guidelines on the issue of indirect cost, staff used their professional judgment on how to most accurately and consistently report financial position.

Updated Response: Implemented. Corrective actions have been implemented to correctly report indirect costs and avoid a repeat of this finding.

2. Ensure adequate controls are in place to ensure concessionaires are in compliance with contracts and lease agreements. (Repeated-2006)

Finding: The Department failed to enforce concessionaire lease agreements regarding rental and reserve payments.

The Department had approximately 90 concessionaires located at State parks throughout Illinois. The Department's concession coordinators are responsible for negotiating and enforcing lease terms, overseeing the site, approving rates charged, and collecting rental payments.

During testing of 66 rental payments for concessionaires, auditors noted 38 rental payments were remitted to the Department in an untimely manner, ranging from four to 249 days late.

In addition, for the largest four concessionaires as measured by rental payments/deposits, auditors noted all four did not properly adhere to the terms and conditions stated in their lease agreement. Specifically, these concessionaires did not submit, or submitted late, the required documents as set forth in the lease agreements. Specifically:

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- Two concessionaires remitted reserve deposit slips, totaling \$108,993, two and 46 days late, respectively.
- Two concessionaires submitted 1) the 2010 Schedule of Gross Revenues and 2) the Statement of Income 45 days late.
- One concessionaire's file did not contain a reconciliation between the 2010 and 2011 Profit and Loss Statement and the monthly rental payments received. Also, the 2010 Profit and Loss Statement was submitted 22 days late.
- One concessionaire's file did not have supporting documentation identifying the concessionaire budget for a minimum of 2% of gross revenues for marketing the lodge complex, as stated in lease.
- One concessionaire's budget of capital expenditures for real and personal property was not prospective for a three-year period, and only one marketing plan was submitted.

Department personnel stated they strive to maintain the important services provided by the concessionaires so they work with the vendors to collect untimely payments and submissions rather than discontinuing the contract.

Updated Response: Corrective actions, including the revision of procedures, have been implemented to ensure timely receipt of concession lease payments.

The Department now has the appropriate processes and controls in place to process lease payments and identify payments not received per the terms of the contract. These controls have been revised and strengthened to better ensure compliance. Payments not received in a timely manner are tracked and the lessee is contacted at 30, 60, and 90 days after the due date in an attempt to obtain the payment. The Office of Realty and Environmental Planning produces an aging of receivables report listing the amounts and days late for the payments. This report is used to statistically analyze these accounts receivable, highlighting spikes in non-payment or other non-standard events.

Many payments identified as "late" by the auditors were so identified because the date received was not date-stamped by IDNR on the check. As with normal business receivables, the Department is to some extent dependent on an external third party for the timely receipt of concession lease payments. Our internal process has been changed to address this issue; date-stamping is now standard practice.

The auditor's finding might suggest that the Department should immediately terminate a lease because of a late payment. However after careful consideration we strongly believe that it is in the best interest of the State to work with the vendors to obtain payment and maintain the services they provide at our State sites. Lessees perform important functions resulting in improved recreational and tourism value at IDNR sites such as providing lodging, recreational opportunities, outdoor supplies and food service.

Accepted or Implemented – continued

3. Review existing policies and procedures to ensure all reconciliations are performed timely and properly while maintaining an adequate segregation of duties. (Repeated-2008)

Finding: The Department did not adequately prepare and review bank reconciliations at certain Department sites.

During visits to ten Department sites, auditors tested the local revenue and petty cash bank reconciliations, and some of the deficiencies noted were as follows:

- The revenue account reconciliations were not signed by the preparer for 14 of 74 of the reconciliations.
- The revenue account reconciliations were not properly dated by the preparer for 10 of 74 of the reconciliations.
- The revenue account reconciliations did not include a signature noting review and approval in 39 of the 74 of the reconciliations.
- The petty cash account reconciliations did not include a signature noting review and approval in 26 of the 74 of the reconciliations.
- The petty cash account reconciliations were not properly reconciled to the appropriate balance in 15 of 74 of the reconciliations.
- One site could not provide 4 of 12 petty cash reconciliations.

Department personnel stated competing priorities and fewer site staff led to policies and procedures not being followed.

Updated Response: Implemented. Land Management has established a new position to work with sites to ensure the appropriate completion and segregation of duties related to Local Revenue Accounts and Petty Cash Accounts. While currently vacant, we anticipate filling this position in the next 60 days. When filled, the employee will work with sites to ensure that their bank account reconciliations are appropriately performed and reviewed.

4. Ensure equipment items are properly tagged and proper documentation of equipment location. In addition, the Department should review the necessity of all equipment and properly dispose of obsolete items. Further, ensure all fuel reconciliations are properly completed and any overages are investigated. (Repeated-2010)

Finding: The Department failed to maintain adequate controls over equipment and reconciliations of fuel at the various sites. During testing at ten sites, auditors noted the following:

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Equipment

Tested a total of 350 equipment items from property control listings, noting:

- Nine items selected from the property listing were missing property asset tags.
- Four items selected were out for repair, however no supporting documentation was provided.
- Four items selected were obsolete.
- Numerous items at one site, which were old and obsolete, were being stored at the park and not scrapped.

Fuel Reconciliations

Tested 96 monthly fuel reconciliations, noting:

- Seven fuel reconciliations included calculations of overages or shortages; however, there was no documentation the overages were investigated by management.
- 40 fuel reconciliations did not contain signatures/initials or the date prepared.
- 30 fuel reconciliations did not contain any evidence of supervisory review and approval.
- 13 fuel reconciliations were not properly completed.

Department personnel stated competing priorities and fewer site staff led to policies and procedures not being followed.

Updated Response: Corrective actions have been implemented.

Equipment:

Land Management is actively reminding site superintendents about policies, through email communication from the Administration Office of the Division of Land Management. Specific policy is referenced in Land Management's Operation Manual regarding this issue. In addition to that, the Director of Land Management and the Fiscal Officer are proactively conversing with site staff at each site visit. The equipment inventory issue is discussed along with a corrective action plan to follow. The Department has 50,053 pieces of equipment. The annual inventory certification is completed by all sites; the department diligently completes this certification and has policies and procedure to address quality control. However, this is an issue that is difficult to completely do away with.

Fuel Reconciliations:

Land Management is actively reminding site superintendents about policies, through email communication from the Administration Office of the Division of Land Management. Specific policy is referenced in Land Management's Operation Manual regarding this issue. In addition to that, the Director of Land Management and the Fiscal Officer are proactively conversing with site staff at each site visit. Fuel reconciliation is discussed along with a corrective action plan to follow. Land Management is stressing the importance of accurately logging and reconciling fuel usage at sites and the need to investigate significant variances.

Accepted or Implemented – continued

5. Ensure monthly deposit reconciliations are completed for all of the Department's sites. (Repeated – 2010)

Finding: The Department did not adequately complete monthly deposit reconciliations. During testing of monthly deposit reconciliations, auditors noted monthly deposit reconciliations of camping permit remittances were not completed for all six months tested by the Office of Strategic Services.

Department personnel stated they do not have an employee dedicated to reconcile camping permits and deposits.

Updated Response: Implemented. Land Management has established a new position to work with sites to ensure the accuracy of camping deposits through the camping permit reconciliation process. While currently vacant, we anticipate filling this position in the next 60 days. When filled, the employee will work to complete camping permits reconciliations for each site.

6. Ensure adequate resources are provided for ongoing training and follow-up, and establish and maintain appropriate internal controls for the timely completion and submission of evaluation reviews. Also, hold immediate supervisors responsible for completing evaluations in a timely manner. (Repeated-2004)

Finding: The Department did not complete employee performance evaluations in a timely manner. During a sample testing of 40 employees for each fiscal year, auditors noted:

- In FY11, 22 employees were required to have evaluations (the remaining 18 were temporary or no longer employed). Fourteen employees did not have an evaluation completed and seven evaluations were completed 12 to 306 days late.
- In FY12, 26 employees were required to have evaluations (the remaining 14 were temporary or no longer employed). Eighteen employees did not have an evaluation completed and three evaluations were completed 45 to 124 days late.

Department personnel stated competing priorities and a lack of stringent policy enforcement has allowed for employee evaluations to be completed in an untimely manner.

Updated Response: Implemented. The Department has taken action to bring the completion of employee evaluations up-to-date. By developing a new database system, the Office of Human Resources is better equipped to track evaluations. The Office of Human Resources will be sending "past due" notices on a monthly basis to those supervisors who have not submitted performance evaluations on employees.

7. Ensure compliance with statutory mandates and maintain documentation of compliance.

Finding: The Department did not have an adequate system in place to ensure compliance with its mandated duties to file certain reports.

- The Department failed to maintain evidence of submission of annual reports filed with the Governor and General Assembly in accordance with the Open Space Lands Acquisition and Development (OSLAD) Act. Department personnel stated they inadvertently did not retain documentation of compliance.
- The Department failed to maintain proper documentation on its obligation to file consent to the issuance of a license to sell alcoholic liquors in retail buildings located in State Parks under the Liquor Control Act. Department personnel stated due to the length of the leases, they assumed that consent to the issuance of a license had previously been filed.

Updated Response: Implemented. OSLAD report: The Department has implemented a defined process to ensure maintenance of documentation evidencing the submission of reports to the General Assembly and Governor's Office.

File consent with Liquor Control: The Department has revised procedures to file consent with the liquor commission. The Department is also in the process of seeking repeal of this statutory requirement.

8. Develop the necessary reports with the required information to follow-up with the Circuit Clerks. (Repeated-2006)

Finding: The Department did not follow up on outstanding tickets with the Circuit Clerk.

The Department implemented the Defendant Database System to provide the information necessary for identifying cases for follow-up with the Circuit Clerk. However, the Division of Strategic Services has not created all of the reports required to obtain the necessary information. As such, the Department has not followed up on outstanding tickets with the Circuit Clerk.

Department personnel stated reporting capabilities of the newly implemented system are still in development.

Updated Response: Accepted. The Department of Law Enforcement is working with IDNR's Information Technology office to develop reports to allow follow-up with circuit clerks on outstanding tickets.

Accepted or Implemented – continued

9. Ensure timely submission of tickets within the required timeframe. (Repeated-2002)

Finding: The Department did not maintain adequate controls over written warnings and citations issued by Conservation Police Officers (CPO). During sample testing, auditors noted the following:

- 55 of 58 tickets issued during the audit period were not submitted to the Department within 96 hours from the date of issuance, ranging from one to 89 days late.
- One of 58 tickets issued during the audit period did not have the stamp date of receipt; so auditors were unable to determine if ticket was submitted to the Department within 96 hours from date of issuance.

Department personnel stated the governing policies for ticket processing were changed in January 2012. The new policy requires ticket copies to be received by Headquarters within eight days. Tickets tested in this audit were received before the new policy went into effect.

Updated Response: Implemented. The Department of Law has revised its policies and procedures.

10. Establish policies and procedures to track all mandated duties and identify responsible parties to ensure compliance.

Finding: The Department did not comply with duties mandated by the State law. Auditors noted the following:

- The Department's Office of Mines and Minerals had not established policies or procedures to comply with a section of the Coal Mining Act. Department personnel stated a lack of documented procedures prevented compliance with this Act.
- The Department did not maintain the proper bilingual on-board frontline staffing level as required. Department personnel stated attempts have been made to comply and recruit more bilingual staff, with spotty results due to lack of applicants. The Department is working on new plans to better publicize its mission and opportunities in minority and immigrant communities across the state.
- The Department did not comply with provisions of the Fluorspar and Underground Limestone Mines Act (225 ILCS 710). Specifically, the Department failed to 1) appoint inspectors of mines; 2) maintain records of mines; and 3) submit required reports to the Governor and General Assembly. Department personnel stated Fluorspar is no longer mined in the United States. They further stated the Limestone provisions of the Act conflict with existing blasting regulations and that discussions are on-going with the legislature about how to modernize the statute.

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- The Department did not comply with the Surface Coal Mining Land Conservation and Reclamation Act. When auditors reviewed permit applications for mining operations, they noted six of 12 did not have a timely decision made, ranging from 50 to 94 days late. Department personnel stated Division workloads and understaffing prevented decisions from being made in a timely manner.
- The Department's Miners' Examining Board failed to submit required reports to the Director for fiscal years 2011 and 2012. The Department stated the Board was not aware of the statutory provision requiring the annual report.
- The Department did not employ the appropriate number of State Mine Inspectors. The Department employed 10 inspectors, but the Coal Mining Act requires 16 State Mine Inspectors if there are 40 or more mines operational in the State. Department personnel stated current funding levels do not allow for compliance with this mandate.
- The Department failed to submit annual financial reports to the Oil and Gas Board. Department personnel stated the requirement was not documented in policies and procedures.

Updated Response: Accepted and partially implemented.

Mining issues:

- Not withholding licenses, permits, etc for nonpayment of taxes. Corrective actions are being implemented.

OMM is working with the Department of Revenue regarding the development of a process to use electronic records to determine nonpayment of taxes by current/potential license, permit, and certificate holders.

- Failure to inspect limestone mines. Corrective actions are being implemented.

Qualified inspectors have been assigned and every operation subject to the Act is being inspected. Staff is in discussions with industry representatives regarding the implementation of the Act and the need to legislatively revise certain statutory provisions in the Act.

- Untimely decisions on applications. Corrective actions are being implemented.

Seven new employees were hired in FY 2013 and fourteen new employees will be hired in FY 2014, pending the availability of funding. We expect that with the additional staff permit decisions will be made timely.

- Miners' Examining Board failure to provide report to Director. Corrective Action has been implemented.

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Accepted or Implemented – continued

The board is complying with the reporting requirements in the Act

- Failure to employ required number of State Mine Inspectors. Corrective actions have been implemented.

One inspector has been hired. The process to fill these additional vacancies is under way.

- Failure to submit annual financial reports to the Oil and Gas Board. Corrective Action has been implemented.

The board is complying with the reporting requirements in the Act.

Human Resource issue:

- Lack of additional bilingual frontline staff on board. Corrective actions are being implemented.

DNR continues to diversify its staff and provide bilingual customer service.

11. Ensure correct information is utilized to complete the Agency Fee Imposition Report.

Finding: The Department did not properly report fees collected on the 2012 Agency Fee Imposition Report. Per review of the FY12 Fee Imposition Report, auditors noted the license and fee information for Watercraft Registration and Snowmobile Registration reported fees from 2011 rather than 2012.

Department personnel stated lack of documented procedures to pull information from the database resulted in the Watercraft and Snowmobile Registrations not being revised for fiscal year 2012 amounts.

Updated Response: Accepted. The Department is reviewing data collection and data collection processes used in completing the fee imposition report to improve the accuracy of the reported information.

12. Develop and implement disaster recovery and business continuity plans which reflect the current environment and align with management's intentions. Additionally, work with (and provide essential information to) the Department of Central Management Services to ensure plans, facilities and other operational provisions are appropriately aligned.

Once plans have been developed and implemented, ensure plans are tested at least annually.

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Finding: The Department had not provided adequate planning for the recovery of its applications and data.

The Department maintained the Information Processing Recovery Activation Plan (Plan) for the Department's Headquarters, Regional Offices, Museum, and Survey Offices; however, the Plan had not been updated since August 2005 and did not reflect the current operating environment. Additionally, testing of the Department's recovery Plan had not been conducted in the audit period.

Furthermore, the Department had not provided essential recovery information to the Department of Central Management Services during the audit period.

Department personnel stated historically the Department has performed disaster recovery testing of the mainframe environment; however, there has been some confusion regarding the roles and responsibilities associated with disaster recovery of the Department's systems and data located on the Department of Central Management Services' network environment.

Updated Response: Accepted. The newly hired Chief Information Office will be working on enhancing disaster recovery procedures and the testing of recovery processes in the Mainframe and Network environments. The Department is also reviewing business continuity plans to ensure continuing operations.

13. Comply with the Personal Information Protection Act regarding the expedient notification of individuals whose personal information was lost, in addition:

- **Comply with the Identity Protection Act and Department Policy and develop a Statement of Purpose and provide training to staff on protecting confidential information.**
- **Ensure electronic versions of confidential information are adequately secured with methods such as encryption or redaction.**
- **Ensure hardcopy versions of confidential information are adequately secured and properly disposed of in a timely manner.**
- **Perform a comprehensive risk assessment to identify all forms of confidential or personal information and ensure adequate security controls, including adequate physical and logical access restrictions, have been established to safeguard data and resources.**

Finding: During the review of the Department, the following weaknesses were noted in regards to the security and control of confidential information:

- Insufficient controls over documents containing personal/confidential information.
- Failure to utilize encryption technologies to secure sensitive and confidential data on computers and portable media.
- Failure to provide training to staff on protecting the confidentiality of social security numbers and other personal/confidential information.

Accepted or Implemented – concluded

- Failure to develop a Statement of Purpose as required by the Identity Protection Act.

The Department actively collected, processed and maintained confidential and sensitive information; including names, addresses, driver's license numbers, credit card numbers, and more than 1.7 million social security numbers.

During a walk-through of the facility, auditors found documents containing personal/confidential information (including person's name, address, social security number) were located in unsecured bins and trays in areas accessible to staff and visitors.

In addition, during testing of equipment, it was noted that some Department IT equipment was lost or stolen. Upon discussion with the Department, it was determined three pieces of equipment contained personal information. The Department indicated they would be notifying the affected parties.

Department personnel stated oversight by staff led to confidential information not being appropriately stored. They also noted that the Department's confidential information policy was revised to take into account requirements of the Identity Protection Act; however, due to staff changes and limited resources, associated procedures were not developed and requirements of the policy (training/Statement of Purpose) not fulfilled.

Updated Response: The Department is taking steps to implement requirements to better safeguard confidential information and meet the requirements of the Identity Protection Act. This includes development of procedures and training of staff.

Emergency Purchases

The Illinois Procurement Code (30 ILCS 500/) states, "It is declared to be the policy of the State that the principles of competitive bidding and economical procurement practices shall be applicable to all purchases and contracts...." The law also recognizes that there will be emergency situations when it will be impossible to conduct bidding. It provides a general exemption when there exists a threat to public health or public safety, or when immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage to State Property, to prevent or minimize serious disruption in critical State services that affect health, safety, or collection of substantial State revenues, or to ensure the integrity of State records; provided, however that the term of the emergency purchase shall not exceed 90 days. A contract may be extended beyond 90 days if the chief procurement officer determines additional time is necessary and that the contract scope and duration are limited to the emergency. Prior to the execution of the extension, the chief procurement officer must hold a public hearing and provide written justification for all emergency contracts. Members of the public may present testimony.

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Notice of all emergency procurement shall be provided to the Procurement Policy Board and published in the online electronic Bulletin no later than 3 business days after the contract is awarded. Notice of intent to extend an emergency contract shall be provided to the Procurement Policy Board and published in the online electronic Bulletin at least 14 days before the public hearing.

A chief procurement officer making such emergency purchases is required to file an affidavit with the Procurement Policy Board and the Auditor General. The affidavit is to set forth the circumstance requiring the emergency purchase. The Legislative Audit Commission receives quarterly reports of all emergency purchases from the Office of the Auditor General. The Legislative Audit Commission is directed to review the purchases and to comment on abuses of the exemption.

During FY11 and FY12, the Department filed 12 affidavits for emergency purchases totaling \$2,073,148.51 for the following items:

- \$ 747,220.51 for repairs;
- \$ 701,179.00 to evaluate and eradicate Asian Carp;
- \$ 238,265.00 for mine reclamation;
- \$ 177,394.00 to prepare financial statements;
- \$ 125,820.00 for computer system development; and
- \$ 83,270.00 for fertilizer.

Headquarters Designations

The State Finance Act requires all State agencies to make semiannual headquarters reports to the Legislative Audit Commission. Each State agency is required to file reports of all of its officers and employees for whom official headquarters have been designated at any location other than that at which their official duties require them to spend the largest part of their working time.

A report filed on July 13, 2012 indicated that 52 employees spent more than half their working time at locations other than official headquarters.